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## CURRENT SUPPORT BRIEF

A POST MORTEM ON CEMA'S THIRTEENTH PLENARY SESSION

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The Council for Mutual Economic Assistance (CEMA) held its thirteenth plenum in Budapest from 26 to 29 July, two months later than originally planned presumably because the complex staff work in the various standing commissions had not been completed on schedule. The brief communique issued by the plenum 1/ indicates CEMA now is focusing its attention on the next 15-20 years, which bloc leaders apparently believe should be enough time to permit extensive gains in efficiency and technology resulting from plan coordination and industrial and agricultural specialization. In its brief reference to long-term planning, the communique stated that CEMA members are carrying on preparations of the over-all plan targets--presumably for 1960-75--and a resolution concerning the organization of work of the CEMA bodies with regard to the coordination of these plans was adopted. The session also "considered it would be useful if the plans in each country were uniformly worked out up to 1980." The communique made no reference to the period 1961-65, for which coordination efforts may have been completed to the extent possible but have led to no real intermeshing of the country plans or of major sectors of them.

The chief of the Polish delegation, Jaroszewicz, while lauding the cooperative spirit of the CEMA session, declared that there is a need for broader coordination of investment plans, so as to eliminate "unnecessary or unjustified investment," a similar view to that expressed earlier by a leading Czech economist. Jaroszewicz added that Polish proposals on this subject will be the subject of study by CEMA organs before the next plenum. 2/ His statement, echoing Gomulka's critique in June that intra-bloc investment planning is "almost nonexistent," represents a significant shift in the attitude of Poland, which in earlier years was the least favorable of the satellites toward the CEMA program. The current Polish view, while reflecting the government's desire to solve its difficult balance of payments problem and the implementation of its investment program, also underscores Soviet attempts to spur inter-satellite collaboration in order to diminish eventually Moscow's burden in supporting the further buildup of the satellite economies.

The plenum also approved the creation of a commission for "co-operation in the utilization of nuclear energy for peaceful purposes." This action--possibly a propaganda move to counter the prestige in Western Europe of EURATOM--is a logical step which could have been taken earlier. Several years ago there was some discussion in the major satellites about developing a sizable program of atomic power plants, but implementation of it has lagged. Several plants were originally scheduled for completion in the early 1960's, but construction difficulties will delay completion for several years in East Germany and Czechoslovakia. Poland is not expected to have a plant until after 1970. The new commission may have been set up not only to stimulate intra-bloc collaboration in nuclear applications in industrial and scientific research but also the construction of nuclear power plants, at least for experimental purposes. The amount of power derived from this source, however, would be insufficient to contribute significantly to the fuel and power requirements of expanded industry in the satellites during the next 15 years.

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The plenum adopted proposals on advanced specialization in manufacturing various capital goods, including "the most important equipment for power, oil refining, building material, ball bearings, wire-producing plants, equipment for steel-rolling mills, and equipment for dairies and canneries." The session also instructed the CEMA commissions to organize the study of new possibilities of specialization in agricultural machinery and chemicals used in agriculture, and it recommended that the CEMA members adopt "new measures for increasing bread, cereal, and fodder grain production, above all increased corn acreage, for increasing animal and other agricultural products." CEMA cooperation in agriculture and the food industries began concretely only in 1958 and is still in a very early stage.<sup>3/</sup> Most of the accomplishment to date has been in exchange of technical and scientific data, but there may be considerable potential, even in specialization of some types of agricultural products in the long run.

The plenum also "devoted great attention" to cooperation in the development of consumer goods production and light industry. Outmoded technology and inadequate cooperation had been sharply criticized in a CEMA commission meeting in February 1960.<sup>4/</sup> This new cooperation, however, probably implies technical exchanges rather than specialization, currently opposed by Poland and perhaps other members. The Polish view, perhaps a typically nationalist outlook, is that each country should have its own comprehensive production and should not limit its assortment. With reference to producer machinery and equipment, however, the Polish and other delegates apparently believe that an extensive division of labor can be evolved gradually over the next 10-15 years and can yield considerable economies of scale and facilitate technological advance.

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